



COMPREHENSIVE HOUSING PLAN

Safety, Housing, Education and Homelessness Committee

Eric Hiraga and Laura Brudzynski, Office of Economic Development

Brendan Hanlon, Department of Finance

Erik Soliván, Office of HOPE

Kevin Marchman, Housing Advisory Committee

January 31, 2018

AGENDA

I. Five-Year Housing Plan

- High level review of process to develop and finalize housing plan
- High level review of values, core goals and specific strategies in housing plan

II. 2018 Planning and Implementation

- Overview of 2017 housing investments
- Overview of 2018 Annual Action Plan
- Process for evaluating proposed housing investments

III. Questions/Discussion

IV. Action on Five-Year Housing Plan

ORDINANCE **Sec. 27-164**

Purpose of Comprehensive Housing Plan: To guide investments of city housing expenditures by the Office of Economic Development into housing development, preservation and programs.

Required elements of the Plan:

- ✓ Overview of housing resources
- ✓ Measurable goals for investment of housing resources, by AMI
- ✓ Goals for unit development, preservation and programs, including a mix of for-sale and rental units
- ✓ Systems to track areas vulnerable to gentrification and stabilize residents at risk of displacement
- ✓ Recommended strategies and key actions to address need for supportive services, land acquisition and mixed-income development

PROCESS FOR DEVELOPING PLAN

Outreach included:

Survey in Spanish and in English during June and July with more than 1,000 responses

Two public meetings in June and September with more than 200 attendees

Focus groups/experts addressing homelessness, rental and homeownership housing

Full Council working session and three presentations to Safety Committee

Monthly meetings/open houses with Housing Advisory Committee, recommendation to refer plan to City Council

Feedback collected during plan development informed policy and investment strategies, including prioritization of resources along the housing continuum.

PUBLIC REVIEW PERIOD

Outreach included:

Surveys in Spanish and English on public review draft with 120 responses

Three neighborhood meetings in October and November with more than 50 attendees

Numerous meetings and presentations to stakeholder organizations

Individual meetings with Council members

Housing Advisory Committee retreat

Feedback received during the public comment period helped to refine and strengthen plan language on specific priorities and inform 2018 planning and implementation.

FOUR FUNDAMENTAL VALUES

Housing an Inclusive Denver is built around four fundamental values:

- ❖ Leverage and enhance housing investments to support inclusive communities
- ❖ Identify ways to foster communities of opportunity
- ❖ Housing as a continuum that serves residents across a range of incomes
- ❖ Embrace neighborhood diversity

FOUR KEY GOALS

The plan also outlines four key goals:



Create affordable housing in vulnerable areas AND in areas of opportunity



Preserve affordability and housing quality



Promote equitable and accessible housing options



Stabilize residents at risk of involuntary displacement

PRIORITIES ALONG INCOME SPECTRUM

40-50% of housing resources will be invested to serve people earning below 30% of Area Median Income (AMI) and those experiencing homelessness who are seeking to access or maintain rental housing, including:

20-25% of housing resources to serve residents experiencing homelessness

20-25% of housing resources to serve residents earning below 30% AMI

20-30% of housing resources will be invested to serve people earning 31% to 80% AMI who are seeking to access to rental housing or to maintain rental housing.

20-30% of housing resources will be invested to serve residents seeking to become homeowners or remain in homes they already own.

ASSUMPTIONS FOR FIVE-YEAR GOALS

- **Per ordinance, goals are for investment of city housing expenditures**
- **Overall trend of declining federal resources for housing**
- **Higher per unit subsidy required to reach deep levels of affordability**
- **Anticipated decline in tax credit pricing due to tax reform**
- **Enhanced focus on programmatic investments vs. unit production alone**
- **Actual outcomes will depend on market conditions over time**

A FOCUS ON SERVING RESIDENTS

With current federal and local funding levels
the City and its partners aim to create or preserve
approximately 3,000 housing units by 2023.

With current federal and local funding levels
the City and its partners aim to serve at least
30,000 households by 2023 with programs aimed
at stabilizing residents at risk of displacement or
those seeking to obtain housing.



CREATE AFFORDABILITY

Five-Year Goal:

2,000 units



PRESERVE AFFORDABILITY

Five-Year Goal:

1,000 units



PROMOTE ACCESS

Five-Year Goal:

20,000 households



STABILIZE RESIDENTS

Five-Year Goal:

10,000 households

PLAN UPDATES BASED ON PUBLIC/STAKEHOLDER FEEDBACK

- **Specified timeline and evaluation criteria for exploring additional housing resources**
- **More effectively coordinated language with Gentrification and Displacement Study**
- **Enhanced focus on long-term affordability in housing investments**
- **Strengthened language regarding comprehensive eviction assistance, including exploration opportunities to connect those facing eviction with legal assistance**
- **Updated language to explore community land trusts with diverse input and a variety of factors such as long-term affordability and community stewardship**
- **Refined structure throughout to facilitate easier navigation throughout document**

TODAY'S COMMITTEE ACTION:



FIVE-YEAR PLAN

Strategic vision – values and core goals

Outlines key policy recommendations

Sets framework for dedicating investments across income spectrum

ANNUAL ACTION PLANS

Budget of available funds

Prioritizes key policy recommendations for staff and partner action

Guides investment decisions based on framework (i.e., projects that fit objective of 20-25% funds address homelessness)



QUESTIONS/DISCUSSION: FIVE-YEAR PLAN

OUTCOMES FROM 2017 HOUSING INVESTMENTS



**CREATE
AFFORDABILITY**
2017 Outcomes:
1,208 units



**PRESERVE
AFFORDABILITY**
2017 Outcomes:
57 units



PROMOTE ACCESS
2017 Outcomes:
3,830 households (est.)



STABILIZE RESIDENTS
2017 Outcomes:
2,830 households (est.)

Note: Units created and preserved in 2017 represent 13 projects and households served through 10 programs.

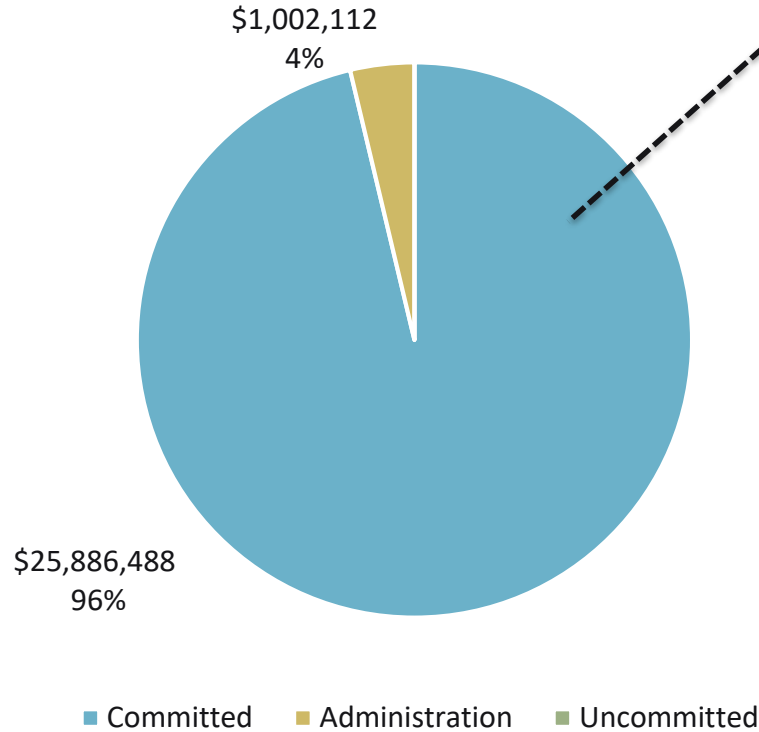
2017 PLANNING AND IMPLEMENTATION

Priorities during the first year of implementing the dedicated housing fund included:

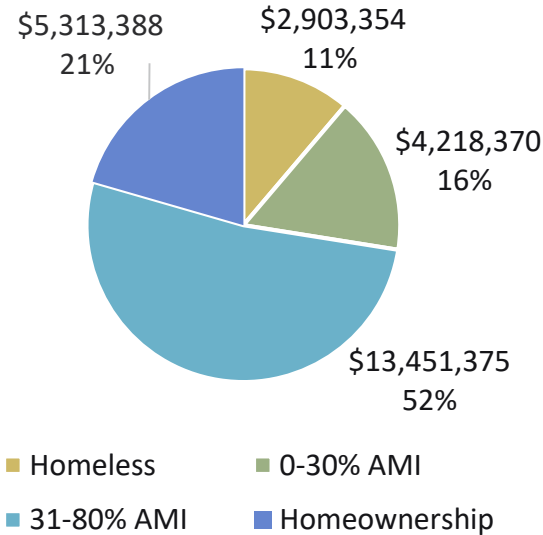
- **Investing new local funds to create and preserve affordable housing, including completing the 3x5 challenge in Summer 2017**
- **Developing and implementing streamlined investment products to provide predictability and transparency for development partners**
- **Providing temporary housing assistance for residents experiencing a housing crisis**
- **Seating a new 23-member Housing Advisory Committee**
- **Coordinating across city departments and partners along the housing continuum to create the Five-Year Housing Plan**

2017 OED Housing Investments (Actual): All Housing Funds

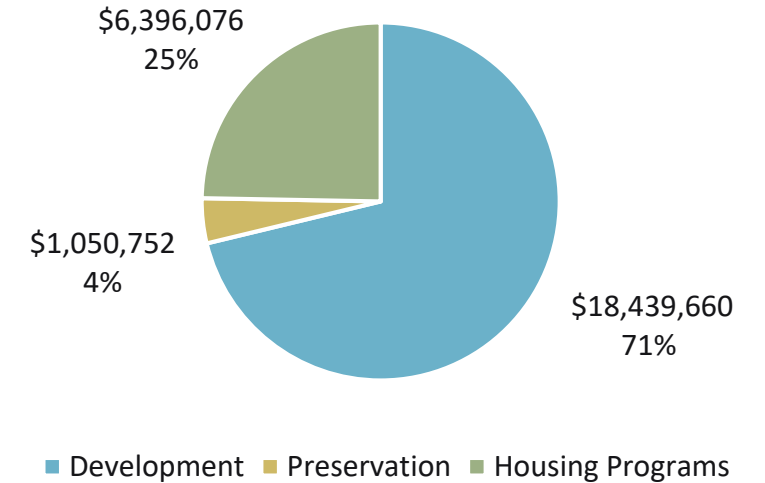
Total Funds: \$26,888,600



Committed Funds Detail



Funds by Project Type



2018 PLANNING

Priority actions include:

- **Connect residents with resources to help prevent displacement**
- **Review proposed tools to promote long-term affordability of housing, such as land trusts, throughout Denver communities**
- **Strengthen the City's Preservation Ordinance**
- **Explore opportunities to expand existing resources for housing investments**
- **Explore a policy and methodology for determining a preference in new housing for residents at risk of displacement**
- **Preserve existing income-restricted affordable rental housing in vulnerable neighborhoods and near transit, through the establishment of a Preservation Fund in collaboration with partners**

2018 PLANNING continued

Other Key Actions:

- **Prioritize supportive services “gap” funding for approved supportive housing projects**
- **Promote programs that help families access affordable rental housing**
- **Expand and strengthen land use regulations for affordable and mixed-income housing**
- **Facilitate acquisition of land directly and through partners for housing development**
- **Preserve affordability of unsubsidized small-scale affordable rental properties**
- **Promote programs that help families maintain their existing homes**

METRICS FOR 2018 HOUSING FUNDS - APPROVED



CREATE AFFORDABILITY

Annual Implementation Goal: 400 units

2018 Outcomes: 309 units*



PRESERVE AFFORDABILITY

Annual Implementation Goal: 200 units

2018 Outcomes: 259 units*



PROMOTE ACCESS

Annual Implementation Goal: 4,000 households

Est. 2018 Outcomes:

2,144 households*



STABILIZE RESIDENTS

Annual Implementation Goal: 2,000 households

Est. 2018 Outcomes:

416 households*

**Based on current OED approved funds*

Note: Units created and preserved in 2018 represent eight projects and households served through nine programs.

METRICS FOR 2018 HOUSING FUNDS - ANTICIPATED



CREATE AFFORDABILITY:

Additional Requested (tax credits):

**130 Units
\$1,400,000**

Additional Requested (other):

**454 units
\$5,004,000**

PROMOTE ACCESS:

Action Plan Anticipated

**Supportive Services
200 households
\$1,000,000**



PRESERVE AFFORDABILITY:

Action Plan Anticipated

**Repurpose of RAHLF into
Preservation Tool
\$2,770,000 – 50 households**

STABILIZE RESIDENTS:

Action Plan Anticipated

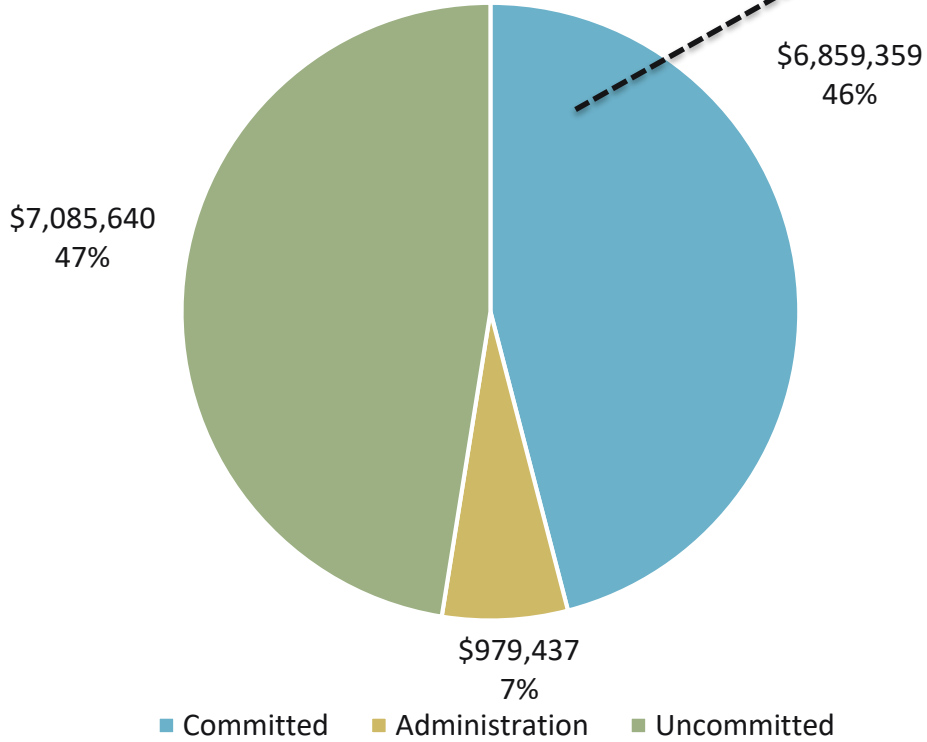
**Rent and Utility Assistance
\$865,000 - 300 households**

**Accessory Dwelling Units
\$500,000 – 10-15 households**



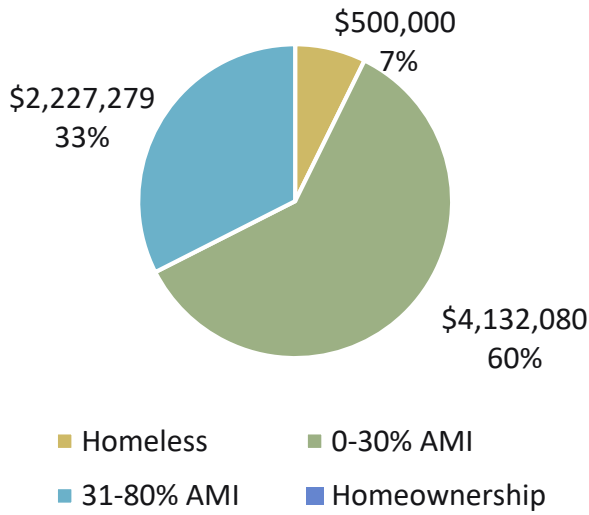
2018 OED Housing Investments (Projected): Dedicated Housing Funds

Total Funds: \$14,924,437

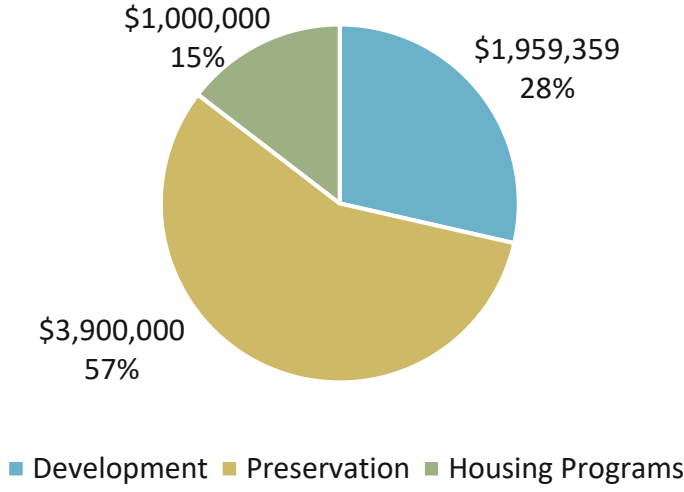


Committed Funds Detail

Populations Served

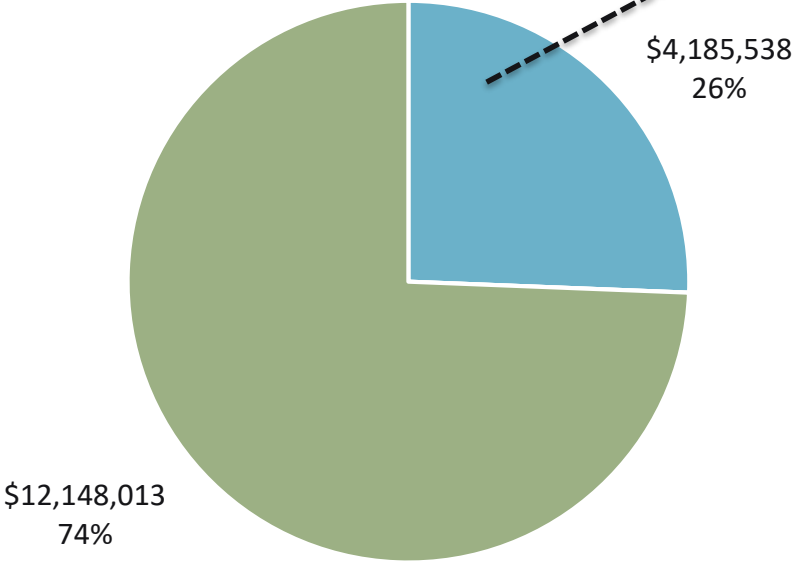


Funds by Project Type

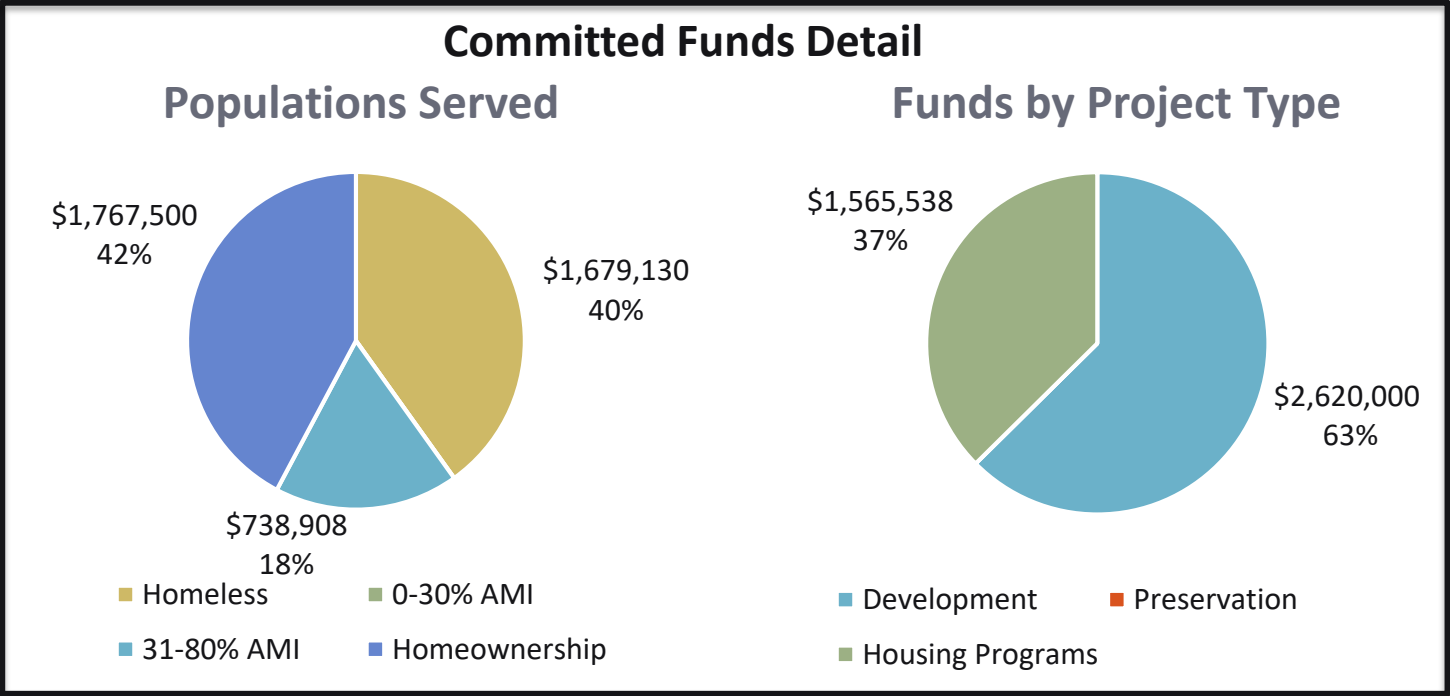


2018 OED Housing Investments (Projected): Other Housing Funds

Total Funds: \$16,333,551



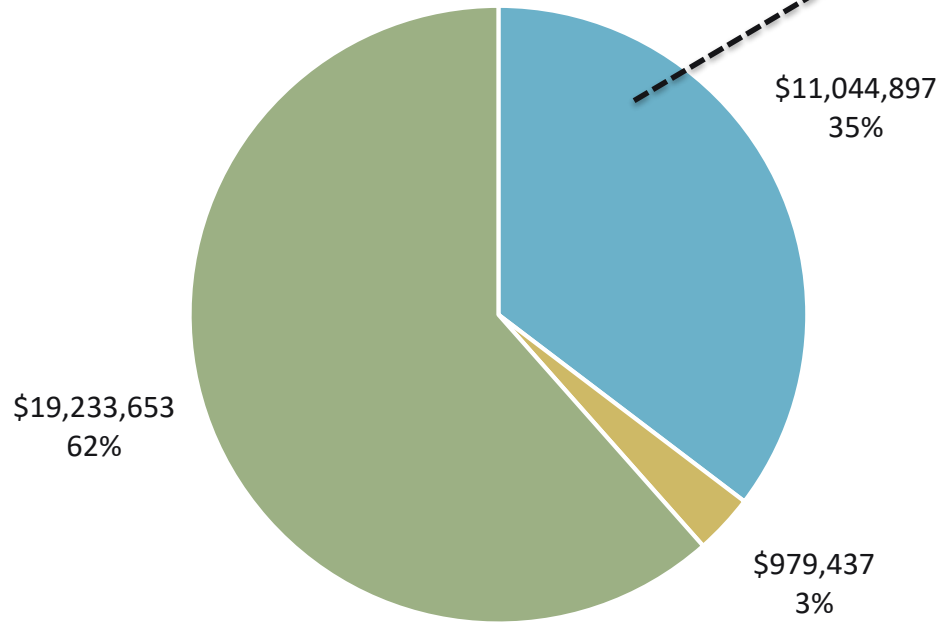
■ Committed ■ Administration ■ Uncommitted



*Note: Administration is already removed from federal funds.

2018 OED Housing Investments (Projected): All Funds

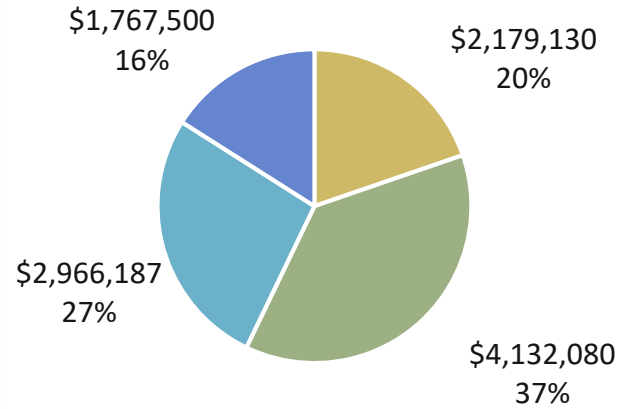
Total Funds: \$31,257,987



■ Committed ■ Administration ■ Uncommitted

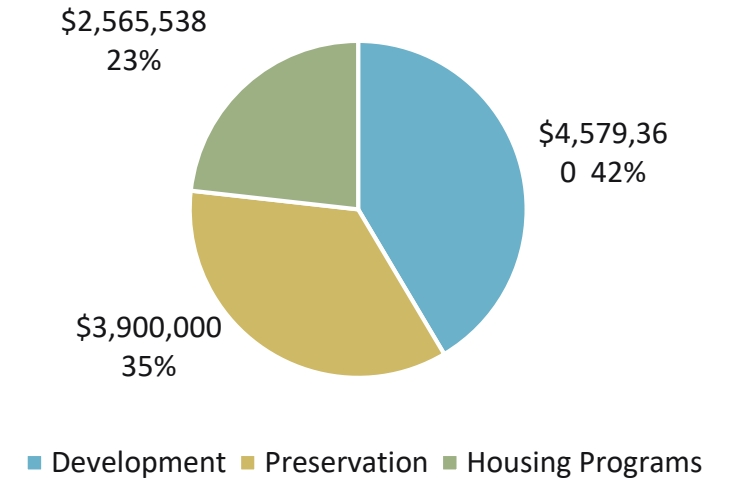
Committed Funds Detail

Populations Served



■ Homeless ■ 0-30% AMI
 ■ 31-80% AMI ■ Homeownership

Funds by Project Type



■ Development ■ Preservation ■ Housing Programs

*Note: Administration is already removed from federal funds.

Other OED Funds

In addition to the dedicated affordable housing Fund, OED manages several other funding sources.

Programs	Description
CDBG, HOME, HOPWA	Federal Grants that can support affordable housing development and programming; appropriated annually
Metro Mortgage Assistance	Local Funds that provide up to 4% down-payment assistance for low income homebuyers and accrue a small amount of revenue; appropriated annually
Revolving Affordable Housing Loan Funds	Local Funds that provide gap financing for the acquisition and rehabilitation of affordable units; one-time appropriation
Skyline Housing Funds	Federal Funds that are available to repair or purchase vacant buildings, build units, and grant funds for projects assisting low-income households; one-time appropriation
Inclusionary Housing Ordinance Funds, Affordable Housing Remediation Fund, Housing for the Mentally Ill Funds	Historic Local Funds that are not appropriated on a continuing basis and can be used for affordable housing development or programming
Rental Rehabilitation Funds, NSP	Historic Federal Funds that are not appropriated on a continuing basis and can be used for affordable housing development or programming

DECISION-MAKING PROCESS FOR INVESTMENTS

For HOUSING DEVELOPMENT and PRESERVATION projects:

- **Housing Advisory Committee to inform investment priorities via Comprehensive Housing Plan and Annual Action Plan(s)**
- **Specific applications received via competitive process or rolling, evaluated against funding priorities and underwriting criteria**
- **Investments approved through OED Loan Review Committee**

Periodic updates will be made to Council on housing pipeline.

DECISION-MAKING PROCESS FOR INVESTMENTS

For HOUSING PROGRAMS:

- **Housing Advisory Committee to inform investment priorities via Comprehensive Housing Plan and Annual Action Plan(s)**
- **Housing Advisory Committee and Mayor's Policy Review Committee to provide guidance on program framework**
- **Specific applications received via competitive process or rolling, evaluated against funding priorities and program framework**

Periodic updates will be made to Council when new policies and programs are proposed and/or implemented.

NEXT STEPS ON IMPLEMENTATION

With Five-Year Housing Plan in place to guide investments, implementation steps in 2018 will include:

- **Supporting Housing Advisory Committee as part of a facilitated conversation to refine their role and structure**
 - **Subcommittees**
 - **Implementation work plan**
 - **Ongoing reporting of investments and outcomes**
- **Updating OED financial products to better align with the plan priorities**
- **Integrating plan priorities into project evaluation and coordination with funding partners**
- **Start planning for 2019 priorities to drive pipeline**

OTHER ITEMS UNDER CONSIDERATION

**Balance of flexibility and predictability in housing investments
(ex: rolling applications allow city to be more nimble as well as competitive RFPs)**

Further coordination between housing and other affordability investments

- **Specific programs such as rental assistance and supportive services**
- **Developing an effective and predictable pipeline of supportive housing units**

Clarity on “front door” for new housing programs

NEXT STEPS

- Requesting approval of resolution to adopt Five-Year Housing Plan at today's SAFEHOUSE Committee
- Housing Advisory Committee meeting on 2/1
- Mayor Council meeting on 2/6
- First and final reading at City Council on (Tues) 2/20 with one-hour courtesy public hearing

OED is seeking feedback from Council, HAC, stakeholders, and public to inform 2018 planning and implementation, but no formal approval is required for the action plan.



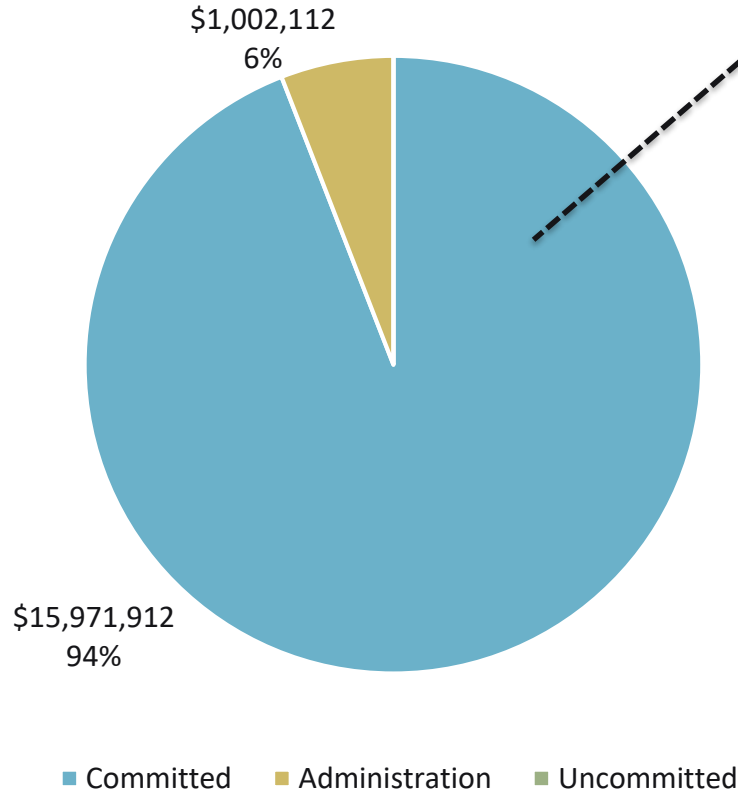
QUESTIONS/DISCUSSION



APPENDIX

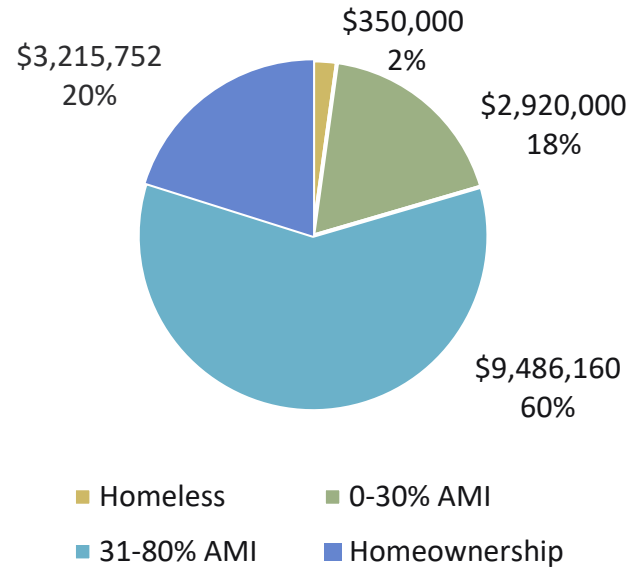
2017 OED Housing Investments: Dedicated Housing Funds

Total Funds: \$16,974,024

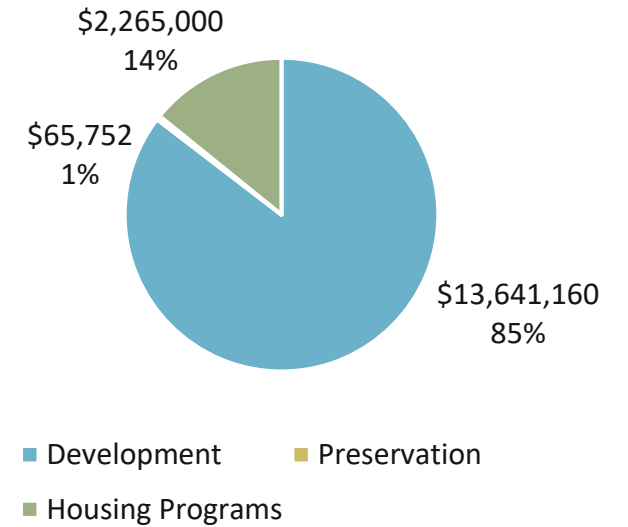


Committed Funds Detail

Populations Served

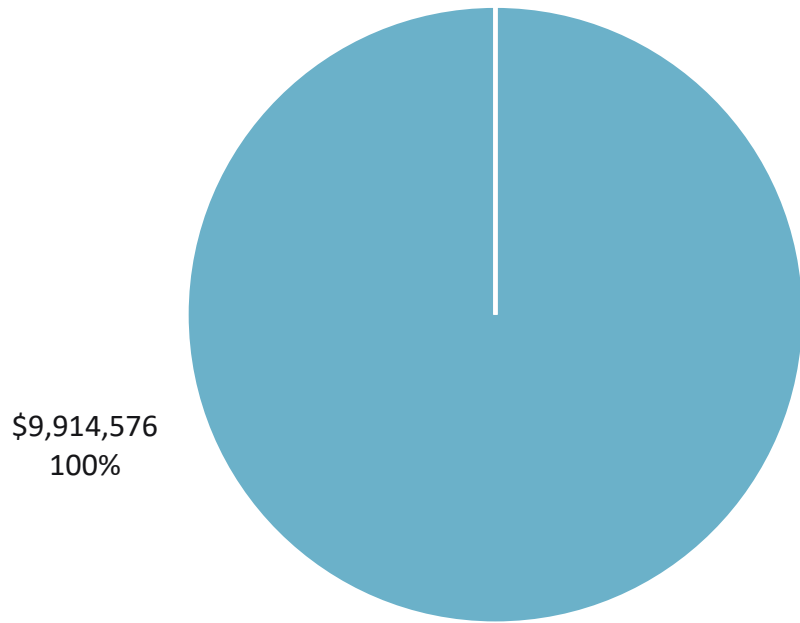


Funds by Project Type



2017 OED Housing Investments: Other Housing Funds

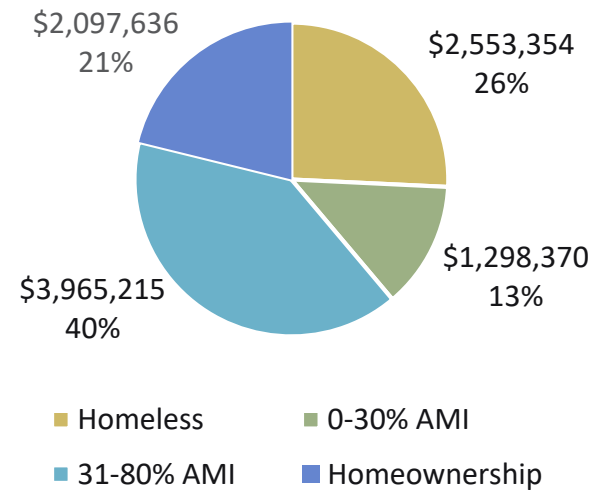
Total Funds: \$9,914,576



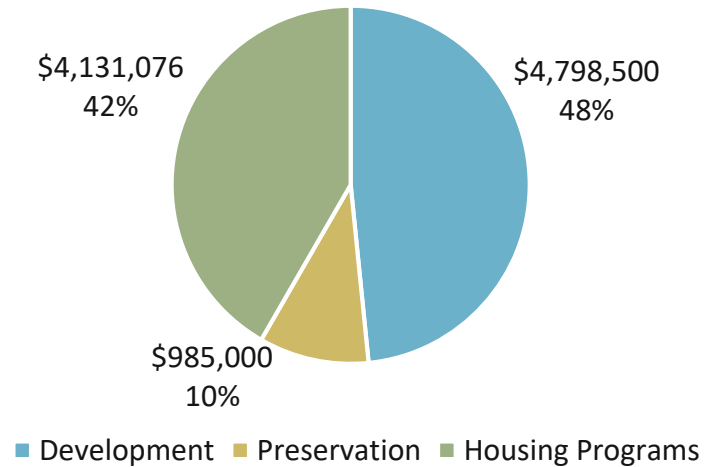
■ Committed ■ Administration ■ Uncommitted

Committed Funds Detail

Populations Served



Funds by Project Type



*Note: Administration costs are already removed from federal funds.

Other OED Funds: Breakout by Sources

Program	Status	Description	Funds Committed	Funds Balance
Community Development Block Grant	Reoccurring with federal appropriation	Federal Grant- Flexible funds that support affordable housing, anti-poverty programs, and infrastructure.	\$505,000	2018 Federal Allocation TBD
HOME Grant	Reoccurring with federal appropriation	Federal Grant- Funds can be used to provide rental assistance, develop affordable housing, and financing assistance to homeowners or buyers.	\$1,585,000	\$1,205,355 2018 Federal Allocation TBD
Housing Opportunities for Persons with Aids	Reoccurring with federal appropriation	Federal Grant- Funds go toward assisting people with aids with housing assistance and supportive services. Funds can also go toward construction and rehabilitation of housing for this population.	\$785,538	\$826,736 2018 Federal Allocation TBD
Metro Mortgage Assistance	Reoccurring funding	Local Funds- Provides up to 4% down-payment assistance for low income homebuyers.	\$500,000	\$0
Revolving Affordable Housing Loan Funds	Reoccurring only with repayments	Local Funds- Provides gap financing for the acquisition and rehabilitation of affordable units.	\$0	\$2,770,000
Skyline Housing Funds	Reoccurring only with repayments	Federal Funds (One-Time): Funds are available to repair or purchase vacant buildings, build units, and grant funds for projects assisting low-income households.	\$0	\$1,670,000

Other OED Funds: Breakout by Sources

Program	Status	Description	Funds Committed	Funds Balance
Inclusionary Housing Ordinance Funds	Historic funds	Local Funds: City collects monies paid by developers in lieu of building moderately priced units, which can be used to support affordable housing programs.	Appx. \$3M setaside for outstanding rebates	\$573,781
Affordable Housing Remediation Fund	Historic funds	Local Funds: Funds support low and moderate income housing development, both owner-occupied and rental units. Revenues come from developer contributions.	\$0	\$358,208
Housing for the Mentally Ill Funds	Historic funds	Local Funds (one-time): Funds originate from a settlement, and can be used to support affordable housing programs for the mentally ill.	\$0	\$444,823
Rental Rehabilitation Funds	Historic funds	Local Funds: Funds can be used to rehabilitate housing for rent by low-income populations.	\$0	\$2,193,373
Neighborhood Stabilization Program	Historic funds	Federal Grant Funds: Federal funds available to finance the purchase and redevelopment of foreclosed properties, establish land banks, demolish blighted structure, or redevelop vacant properties.	\$0	\$52,411